

EXHIBIT 5
TO KRAVIS DECLARATION
PUBLIC-REDACTED VERSION

Games Velocity Program

V1 Business Impact Assessment. V2 Introduction

December 2020

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Contents

- Games Velocity Program (GVP) Refresher
- GVP 1.0 Impact Assessment
- GVP 1.0 x-Google Financial Assessment
- GVP 2.0 introduction

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2: x-Google value?

Games Velocity Program
Refresher

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[Refresher] GVP 1.0 Context: In 2019, Google Play's growth and business model faced risk due to increasing competitive intensity & the emerging app store "tax" meme

Competitors Aggressively Pursuing Gaming



"App Store Tax" Meme Emerging

Apple and Google Face Growing Revolt Over App Store 'Tax'

Opinion: Google's 30% cut of Play Store app sales is nothing short of highway robbery

Risk: Top Developer Churn from Play

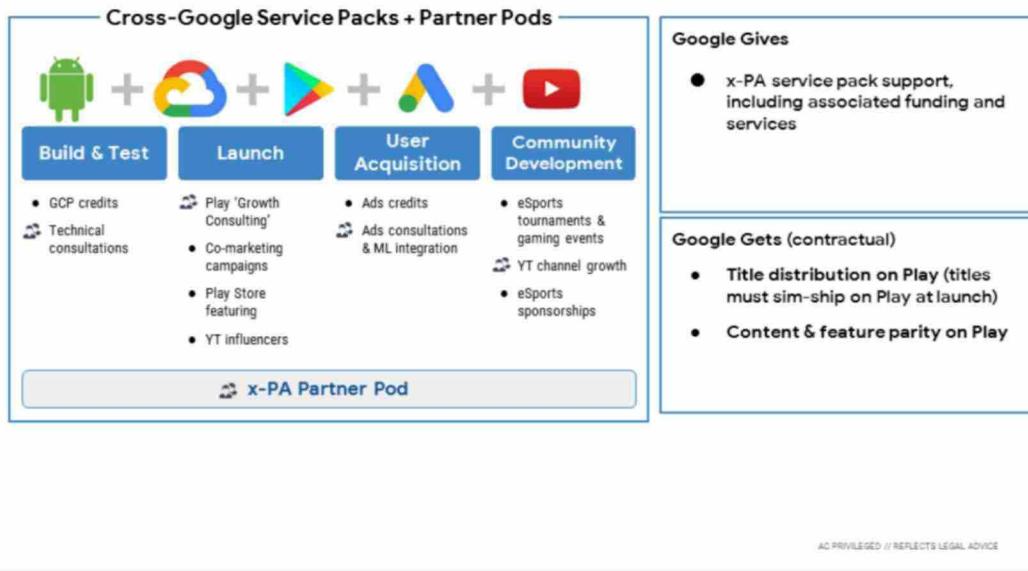
- Play margin loss: \$840M likely margin exposure in 2022 (cumulative ~\$2 Bn+ in 2019-2022)

Opportunity: Deepen relationships with top developers and grow cross-Google product adoption

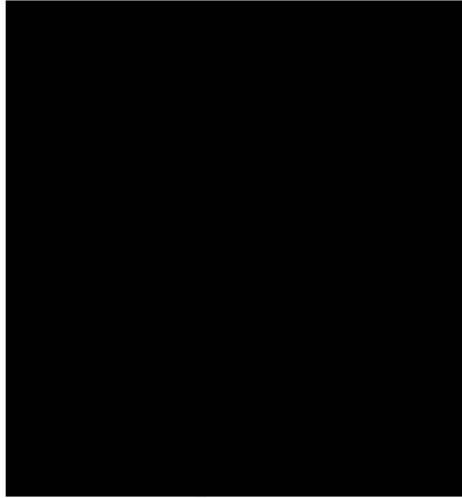
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[Refresher] GVP 1.0 Proposal: We developed 'Games Velocity Program', a commercial program to unify & boost Google's value proposition to target developers



[Refresher] GVP 1.0 Target Developers: GVP targeted [REDACTED] major game developers



Drive disproportionate value to Google
(e.g. [REDACTED] of total Play consumer spend)

Beacons of the ecosystem

Expressed discontent over lack of unified support from Google

May forgo Play (& Android)

- Upcoming major new title launch
- Difficulty delivering hi-fidelity games on Android
- Capabilities to 'go-it-alone' on Android

[Full Partner List](#)

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[Refresher] GVP 1.0 Goals, Non-Goals & Success Metrics

Desired Developer Objectives

Goal 1: Prioritize Play Users



Ensure Play users are not disadvantaged

- Launch on Play on "day 1" of mobile launch
- Co-invest in promoting Play title
- Improve game quality and device reach
- Maintain game parity across platforms

Goal 2: Boost x-PA Product Adoption



Unlock xPA value for partners & Google

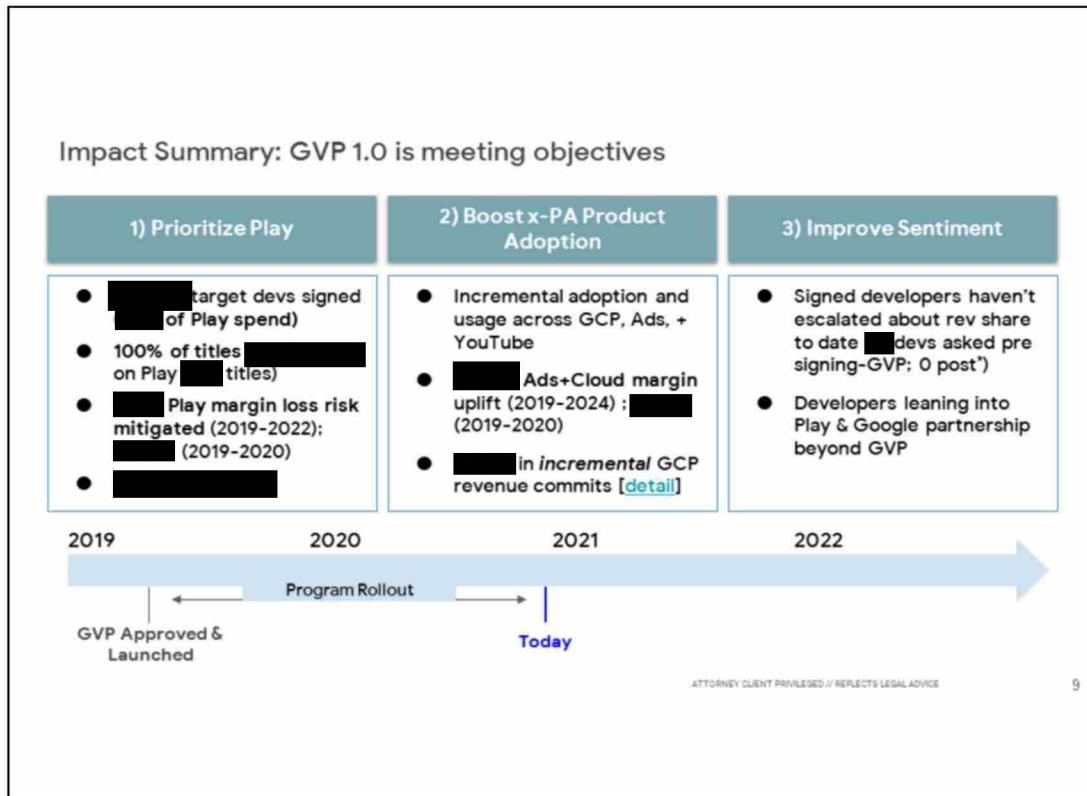
- **GCP:** win-rate acceleration; ARR increase, marquee titles on GCP
- **YouTube:** mobile gaming watchtime uplift, Mobile gaming upload + creator uplift
- **Ads:** UAC growth acceleration; best practice adoption

Goal 3: Improve Developer Sentiment

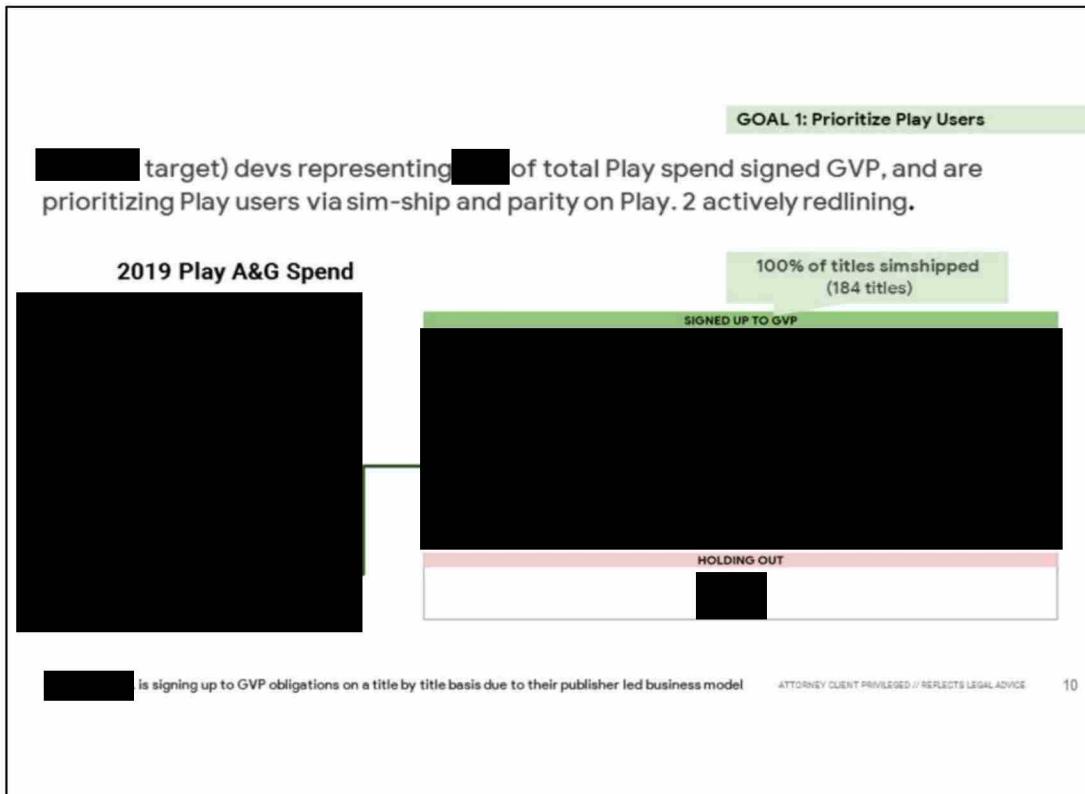
Non Goals: Play exclusivity, drive additional xPA integrations (eg: [REDACTED], xPA spend commitments)

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GVP 1.0 Impact Assessment



product commits? Better than expected?
Link to source



GOAL 2: Boost xPA Product Adoption		
Developers are realizing value across PAs & beating BC estimates		
BC Success Metrics	Other Metrics	
 ARR acceleration  Win-Rate acceleration  Marquee titles on GCP	 @ BC (by 2024) [REDACTED] Actual [REDACTED]  @ BC [REDACTED] Actual [REDACTED]  @ BC [REDACTED] Actual [REDACTED]	
 UAC yoy growth rate acceleration  SVA / Best Practice adoption	 3-4 Yr Incremental Spend Commits [REDACTED]	
 Mobile game watchtime, as % of total gaming watchtime  Mobile game creator/upload uplift	 Share of Wallet [REDACTED]  ROI [REDACTED]	
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		11

Cloud Deals:

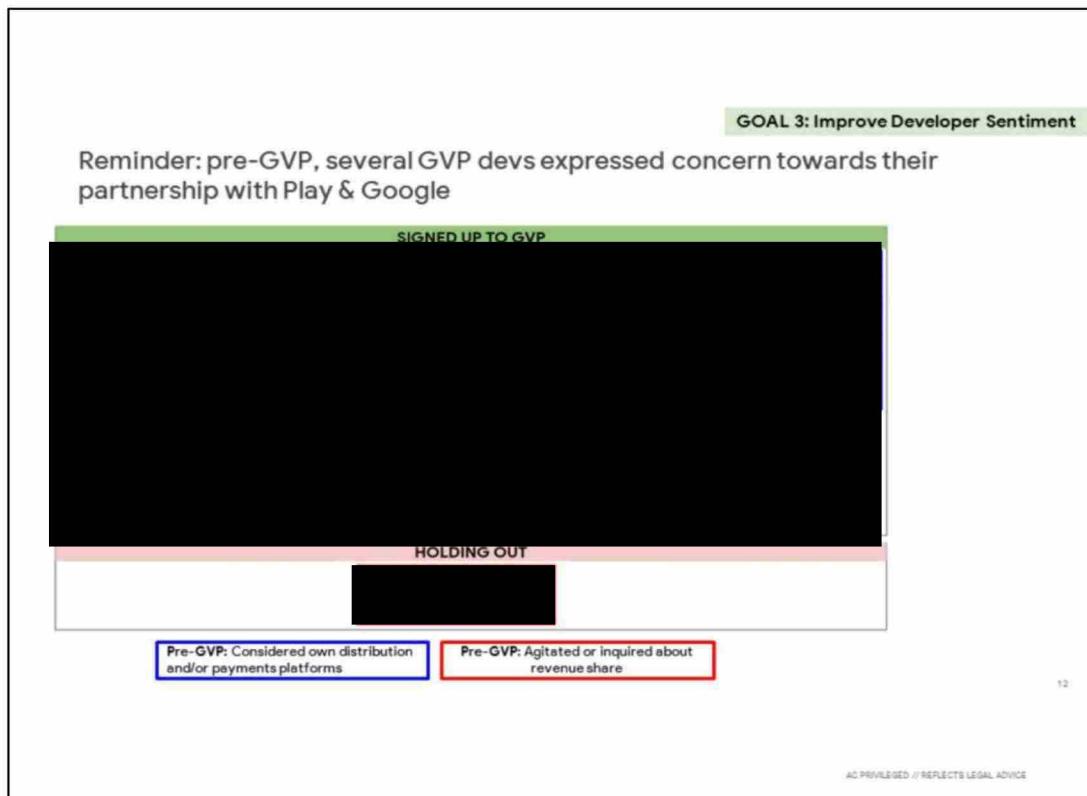
[REDACTED]

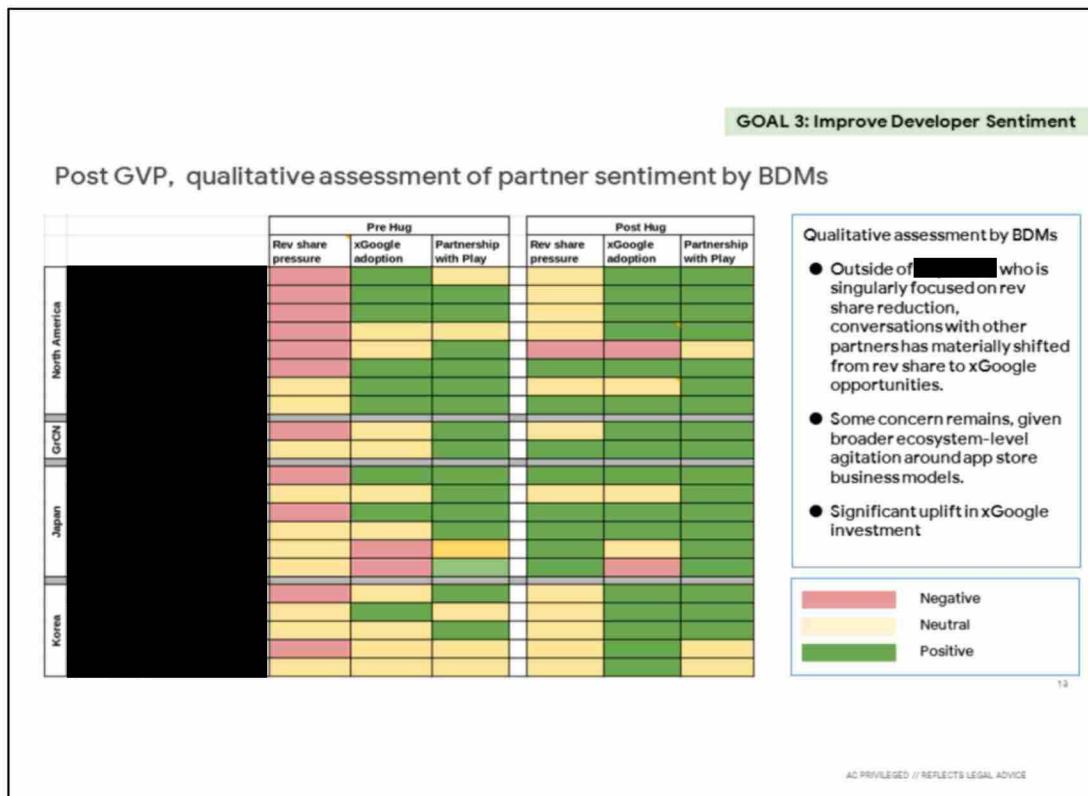
TOTAL: [REDACTED] Incremental: [REDACTED]

Cloud KPI Definitions:

- ARR acceleration: Defined as average YoY growth between BC 5-year total: [REDACTED] HUG BC 5-year total: [REDACTED] and HUG new projected 5-year total: [REDACTED]
- Win-rate acceleration: Defined as conversion percentage increase from BC %. BC conversion was [REDACTED] w/o HUG and [REDACTED] with HUG [REDACTED] = [REDACTED]. Already signed 12 out of 18 developers so [REDACTED] conversion. Estimating conservatively at [REDACTED] through program duration. [REDACTED]
- Marquee titles on GCP: Defined as number of marquee titles on GCP from signed developers. 9 titles include"
- > [REDACTED] migrating from [REDACTED]
- > [REDACTED] - Expected to 13x spending

> [REDACTED] - new customer
> [REDACTED] and new title
> [REDACTED] - Expected to 40x spending





GOAL 3: Improve Developer Sentiment

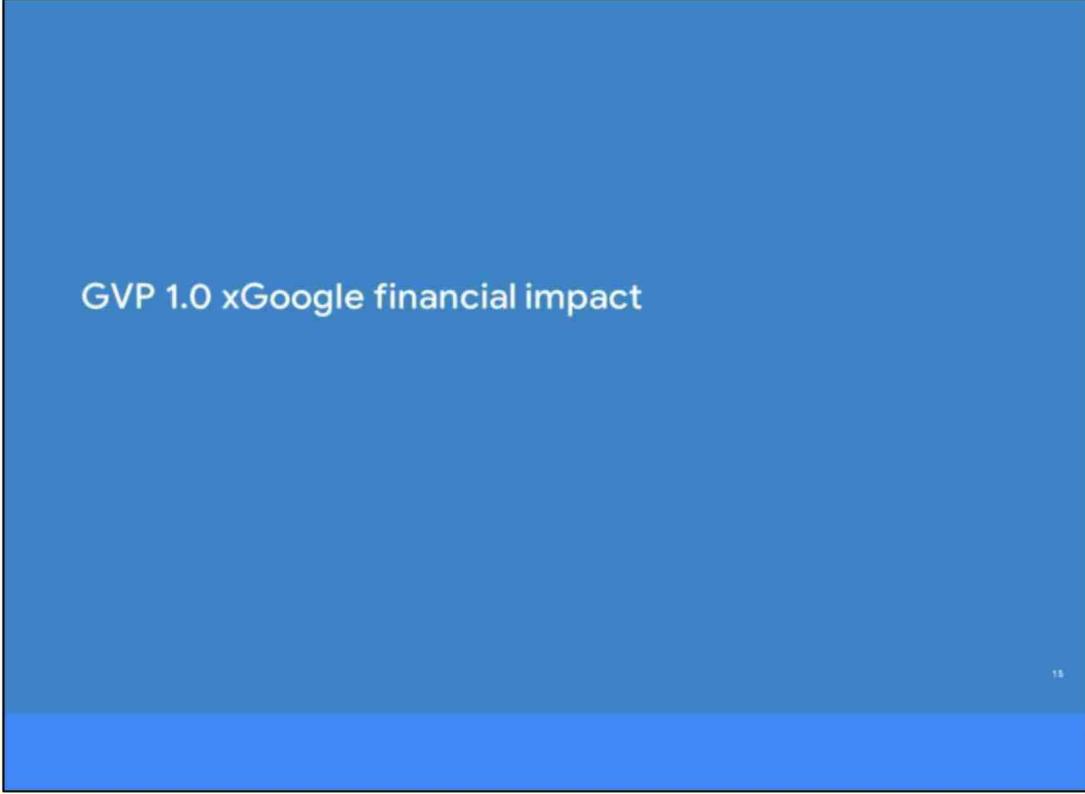
Beyond GVP - Quantitative assessment of partnership health* by xPA Finance teams

2020 Growth					Comments
Play Spend	GCP Spend	UAC Spend	YouTube watchtime	Google Revenue Growth	
100%	125%	13183%	34%	13276%	Public appreciation about partnership with Play
108%	38%	27%	42%	91%	
56%	842%	90%	114%	61%	Launched Battle Pass subs exclusively on Play
29%	245%	141%	59%	58%	
54%	-39%	-2%	21%	54%	Strategic partnership with [REDACTED]
49%	31%	63%	28%	51%	CEO expressed excitement about expanding xGoogle partnership via GVP
38%	13%	211%	83%	38%	Multiple exec quotes on strength of GVP partnership
24%	314%	24%	375%	30%	Signing in Q4 2020
5%	22722%	181%	14%	24%	
8%	224%	97%	-22%	20%	
5%	80%	-91%	17%	15%	Signed first ever long term commit deal to be on GVP
8%	34%	205%	21%	13%	Extending GVP deal by +2 years to lean into GCP
4%	887%	-17%	-3%	10%	Reinvested GVP incentives to return to Play growth
10%	54%	8%	-31%	10%	Changed launch processes to support GVP partnership
-4%	4%	7%	29%	-4%	
-10%	3021%	107%	42%	-4%	Stepped up exec relationships with Google
-18%	0%	100%	21%	-18%	
-28%	5410%	-50%	93%	-26%	
TOTAL	23%	75%	85%	37%	32%



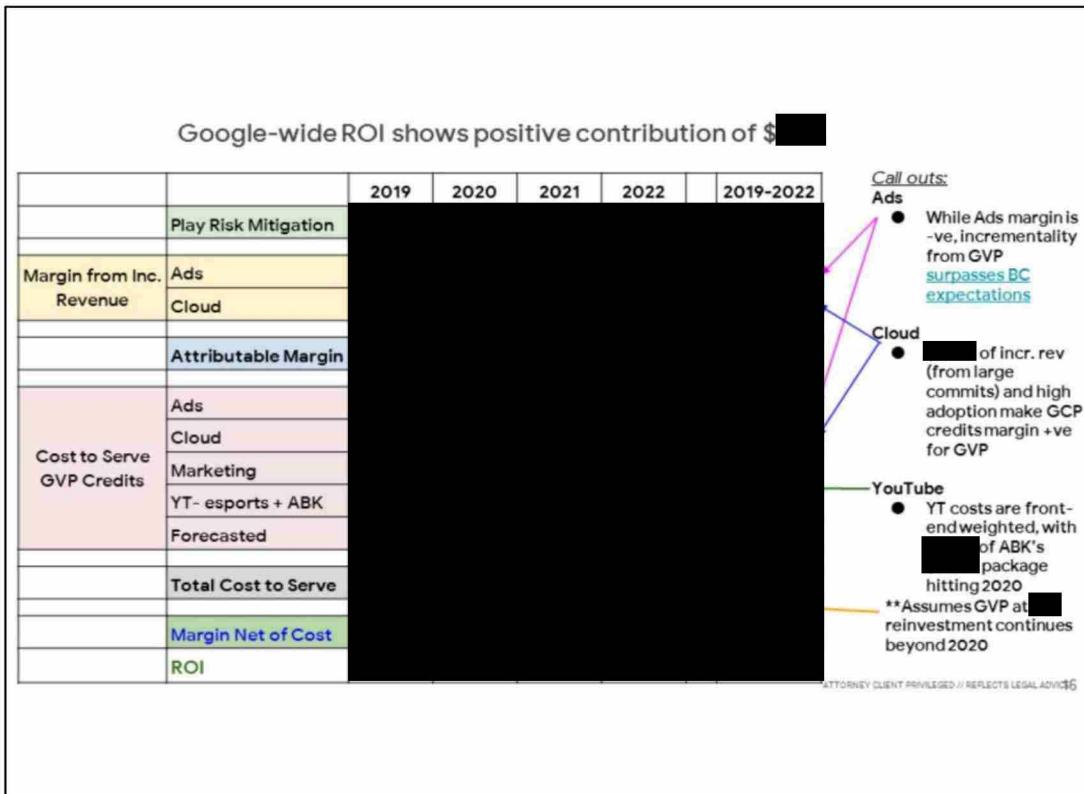
* xPA Finance assessment of developer investment with Google; not entirely attributable to GVP, but supported by GVP

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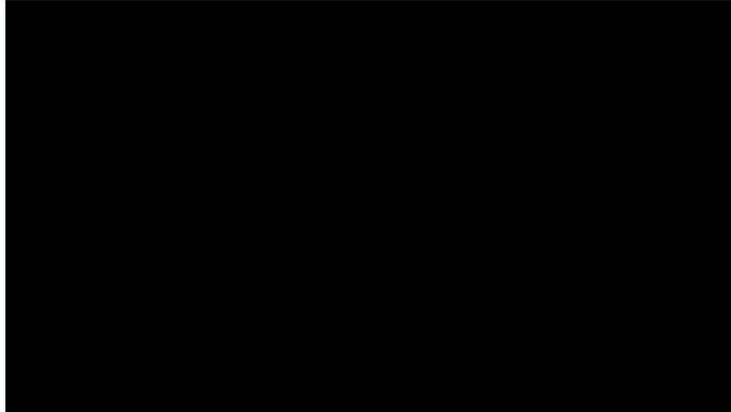


GVP 1.0 xGoogle financial impact

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As a result, GVP has been effective at mitigating margin loss risk from off-Play distribution



Better than expected risk mitigation with GVP investments improving sentiment towards Play

Developers prioritized Play users while launching new titles

Developers maintained feature and content parity for titles across platforms

†) Benchmarked operating metrics through July 2020 against risk milestones for FY2022

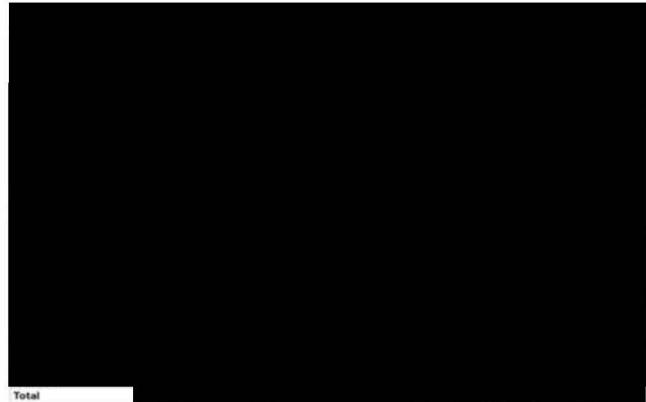
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Mitigation driven by (1) signed developer spend under sim-ship contract, (2) other stores and (3) other devs (halo effect)

For more information on methodology of calculation, see [here](#)

GVP 1.0 is ROI positive even without [REDACTED] Play risk mitigation; outsized ABK investments diluted overall returns. 7/18 deals are positive, 3 more likely to be.



Program ROI positive even without [REDACTED] Play risk mitigation

Comarketing investments of [REDACTED] (over 2019-2024) expected to recoup [REDACTED] of invested value

[REDACTED] expected to sign incremental GCP commits [REDACTED] and turn ROI +ve

[REDACTED] esports investment with [REDACTED] adversely impacted [REDACTED] and program ROI

- 1 Ads has attributed GVP margin upside for the duration of the credits (2020 for most devs, 3 years for [REDACTED] @ [REDACTED] of UAC margin uplift in 2019, and [REDACTED] thereafter
2 GCP has attributed GVP margin upside until 2024, due to commits secured via GVP, as well as long term nature of GCP partnerships
3 GCP upside does not yet include Play revenue deferrals to Cloud of [REDACTED] towards Cloud credits. CloudPA would recognize this revenue upon credit utilization by developer
4 GVP will mitigate Play margin risk worth [REDACTED] by 2022

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GVP 2.0 Introduction

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<p>GVP 2.0: Build on GVP 1.0 success, address gaps & focus on joint growth</p>		
<p>Continue to address Play risk, including new payments risk</p> <ul style="list-style-type: none"> ● Keep leveraging GVP to address continuing top developer concerns ● Evolve GVP goals beyond simship to also focus on joint growth, as risk evolves from off-Play distribution to payments 	<p>Continue to create net new xGoogle value</p> <ul style="list-style-type: none"> ● Double down on GCP credits ● Address ROI gap in Ads offer ● Leverage investment in Play Points, Promos ● Drive joint growth by aligning incentives with growth targets ● Support Android/Play platform growth by including product integration requirements ● Bolster consults, Play-YT engagement, features 	<p>Continue to improve sentiment</p> <ul style="list-style-type: none"> ● Expand from 1-year to multi-year deals to deepen partnership ● Grossly simplify operations
<p>Continue to address current & emerging risks while creating incremental xGoogle value; be prepared for public disclosure</p>		

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product commits? Better than expected?

Link to source

Developer Selection

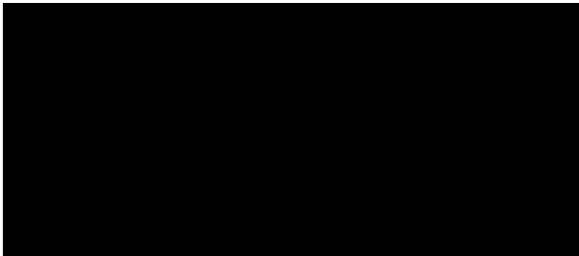
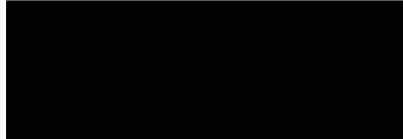
GVP 2.0 Dev selection - An [REDACTED] for game developers who matter most to our users based on consumer spend and growth

Qualifying Criteria & Developers

New to Play PC/Console Devs On Play "enterprise" Developers

[REDACTED]

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Both [REDACTED] meet the criteria

What we learnt

GVP2.0 framework: Refine GVP 1.0 service packs; simplify operations; bolster consults, YT-Play engagement/features

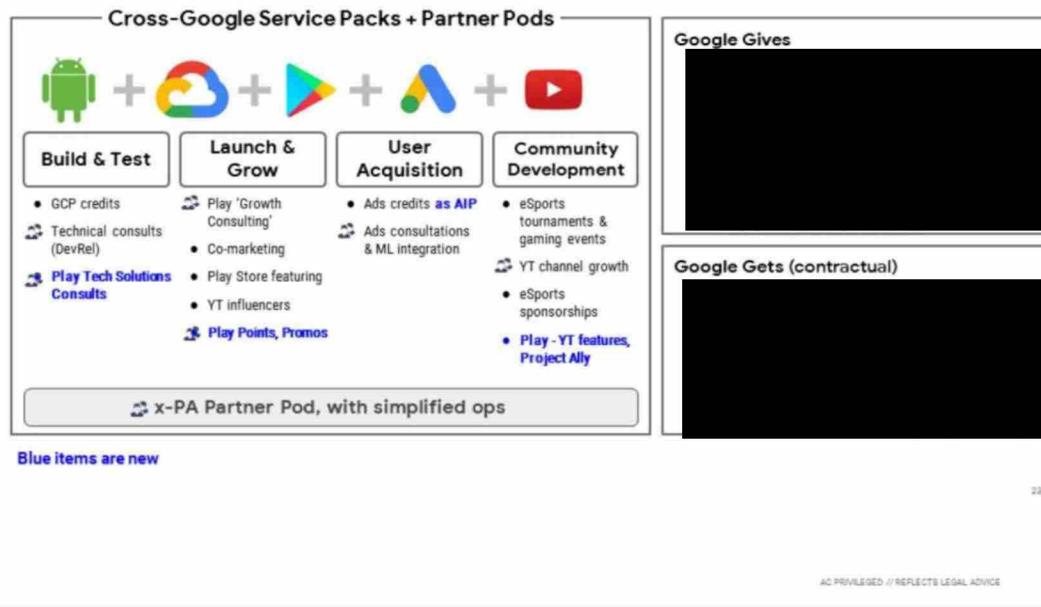
Service Pack	Commercial Offers	Consulting Offers*	Operational Delivery	ROI from Commercial Offers	Comments
Build & Test					
Launch					
UA					
Community					

Build & Test: GCP credits, GCP consultations, DevRel Consultations Launch: Play featuring, G. Consulting, Comarketing, YouTube influencers User Acquisition: UAC credits, Ads SVAs Community Dev.: YouTube Channel growth, esports sponsorships & events

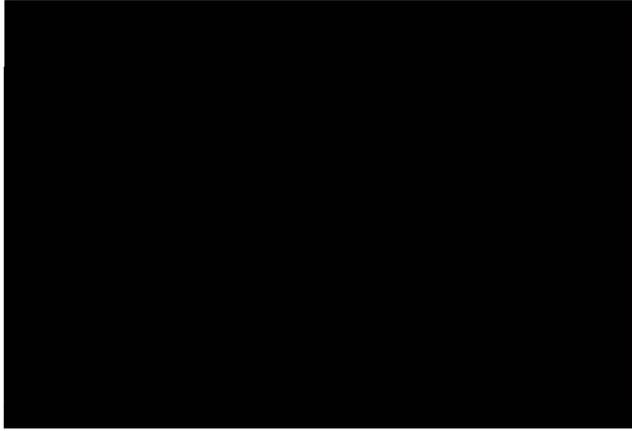
* Play featuring and PCO support has been included as part of Launch Consulting offers

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GVP 2.0 Proposal: Builds on GVP 1.0 and extends term to three years to deepen partnership with devs that matter most to our users.



GVP 2021: [REDACTED] Play margin investment to extend 1.0¹ and start 2.0.



GVP 2021 investments & xPA support

- [REDACTED] to extend commercial incentives for up to 15 GVP 1.0 devs @ [REDACTED] of respective spend tied to spend growth targets
- [REDACTED] to 11 new developers to GVP 2.0, @ [REDACTED] of respective spend tied to spend growth targets
- Corp Finance has been briefed that Play would request additional budget for GVP
- [REDACTED] GVP 2.0 developers offer potential for GCP upside. Finance teams are computing Google opportunity
- GCP and Ads teams are largely on board, concerns remain about xPA accounting implications and relevance of GVP vs. Play business model change.

1 Excludes [REDACTED] who already have longer term multi-PA deals and will not be offered refreshes via GVP 2.0

2 GVP 1.0 devs are already getting [REDACTED] of Play spend as GCP credits for 3 years

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Source



GVP & Runway

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GVP delivered +ve Google margin while addressing dev sentiment; if Runway addresses commercial concerns, could a limited but complimentary GVP drive xGoogle upside?

GVP offered at [REDACTED] & met the following 3 objectives:

Improve Sentiment: decrease rev share agitation

Prioritize Play: devs launch on Play along with other platforms

Increase xPA Adoption: xPA incentives to grow Google footprint; [REDACTED] incremental Google margin against investment of [REDACTED]

Runway may address 2/3 objectives:

Improve Sentiment: Addressed via reduced rev share

Prioritize Play: Runway may help address off Play monetization; however, without GVP we lose our ability to guarantee simship

Increase xPA Adoption: Without GVP, we lose our ability to create any "net new" Google upside and reduce Program cost

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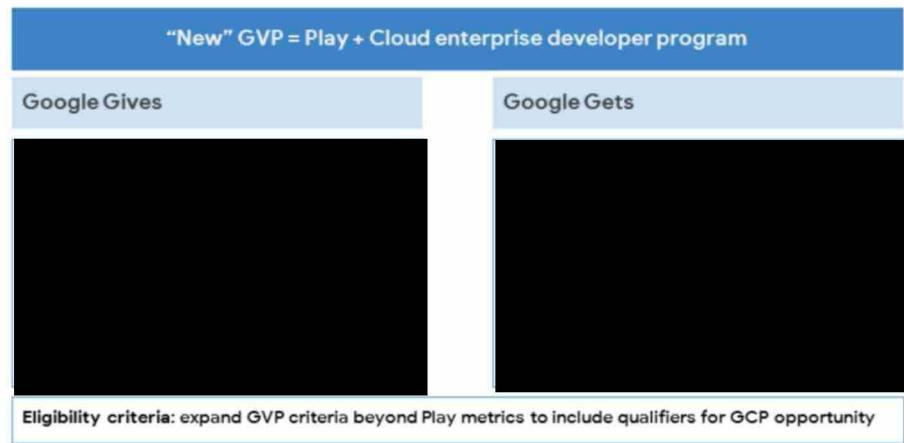
A limited GVP should anchor towards Google uplift; lead with tactics driving maximum ROI - double down on GCP, integrate Play Loyalty, ask for strategic product adoption

GVP tactic	Impact on ROI	Continue?	Comments
Ads	Neutral	Yellow	Program pivoting to AIP, however, expected to remain ROI neutral
Cloud	Positive	Green	Conditional to new / incremental GCP commit
Play*	Expected Positive (NPU, Buyer Retention, Product adoption)	Green	Offer Play investments linked to Play objectives, e.g., Loyalty, Strategic product adoption
YouTube	Presence Grants: Unknown esports rights: Negative	Red	YouTube helpful in improving developer sentiment, but is largely ROI negative
Marketing	Custom campaigns: positive Others: negative	Red	Unlink comarketing from GVP; continue supporting tentpole launches

* Play did not have a commercial tactic in GVP. We are evaluating adding commercial tactics as part of GVP 2.0

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Evolve GVP as a Play+Cloud incentive program for top game developers; eligibility criteria expand beyond Play metrics to also address Cloud opportunity



* X to vary by developer based on what may drive best Google returns

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Question: If GVP pivots to primarily driving Google margin upside, could it part-fund Runway in a world where they co-exist?

	Runway	GVP	GVP (in conjunction w/Runway)
Program Description			
Eligibility			
Google Gives / Costs			
Google Gets			
Impact on Objectives			

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Question: What should our immediate focus for 02/11 BC be, given fluidity on Runway?
Proposal: address the most pressing developers, until our large dev strategy is defined

	Option 1	Option 2	Option 3 (R)
Pros	[REDACTED]	[REDACTED]	[REDACTED]
Cons	[REDACTED]	[REDACTED]	[REDACTED]

* Qualifies criteria for GVP 1.0

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Appendix

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<p>GVP 2.0: Build on GVP 1.0 success, address gaps & focus on joint growth</p>		
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product commits? Better than expected?

Link to source

Comparing programs	GVP 1.0		GVP 2.0	
	Program Objective	Mitigate Play distribution risk	Incentivize joint growth	
	Eligibility criteria	PC/Console Devs Lifetime Revenue of IP [REDACTED]	PC/Console Devs Lifetime revenue of IP [REDACTED]	
	Play Devs:	Lifetime Spend [REDACTED] OR Lifetime Spend [REDACTED] and growing [REDACTED]	Play Devs Lifetime Spend [REDACTED] growing [REDACTED] Lifetime Spend [REDACTED] growing [REDACTED]	
	# of developers	[REDACTED]	[REDACTED]	
	% of Play Spend covered	[REDACTED]	[REDACTED]	
	Google Gives	Commercial: Ads credits: [REDACTED] of eligible UAC spend, capped GCP credits [REDACTED] of Play Consumer Spend, uncapped Comarketing - fixed allocation YouTube Presence Grants - fixed allocation eSports rights / sponsorships - fixed allocation Consultative Ads consulting, GCP consulting, Play business consulting, DevRel consulting	Commercial: Ads credits: nn% of incremental UAC spend, capped (AIP Program) GCP credits [REDACTED] of Play Spend, uncapped Comarketing - % of Play Spend, uncapped YouTube Presence Grants - % of Play spend, uncapped eSports rights / sponsorships - % of Play spend, uncapped	
	Google Gets	[REDACTED]	[REDACTED]	
	% investment	[REDACTED] of respective Play Consumer spend	[REDACTED] of respective Play Consumer spend	
	Term			
	Play Margin investment	\$nnnM over three years: \$nnM to extend 1 year incentives to three for select devs	\$nnnM over three years, \$nnM in 2021	
	Google Upside	\$nnnM over three years:	Estimated...	33

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We are ran an effort to examine new Play GVP capabilities against a few main criteria



Live or in-flight



Measurable incrementality



...could go into contract with developers

...and we're pursuing three main focus areas for inclusion within GVP

Google Play Points

Exclusive spotlight campaigns for GVP partners (e.g. 10x Play Points promotion) to help drive incremental spend

Battlestar

Including language specific to the adoption of Battlestar can help align B* goals with GVP developers

NBU localization incentives (bounty model)

Devs can earn incentives if they create programmatic, localized investments in under-served frontier markets that speed up buyer growth

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Discussion

Summary

GVP 1.0 is working, has helped mitigate off-Play distribution risk and had deepened overall developer partnership with Google

Several major GVP gives expire in 2020 EOY (except for GCP) and developers are actively asking for extensions.

GVP 2.0 builds on the successes of 1.0, actively addresses gaps, and shifts goals from off-Play risk to joint growth. Extends term to three years to deepen partnerships.

Open questions

Project Runway - are there concerns about extending term to three years given Project Runway plans?

AVP - other PAs are getting wary of xPA deals - Cloud as AVP deals could have larger contra impact on them. Ads due to negative (albeit small) ROI. Is this still the right approach?

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Play GVP cost > Google cost by [REDACTED] mainly due to Play deferrals to GCP (not reflected in GCP upside)

GCP expects to recognize this revenue upon credit utilization by developer

GVP Investments summary

\$m	2019	2020	2021	2022	2023	Total
-----	------	------	------	------	------	-------

(A) - Play view

Cloud

Ads

Marketing

YT / esports

Total

(B) - Google view

Cloud

Ads

Marketing

YT / esports

Total

Variance: (A) - (B)

Cloud

Ads

Total

Average Google value created by \$1 invested in each commercial GVP offer

Ads Credits	[REDACTED]
GCP Credits	[REDACTED]
Comarketing	[REDACTED]
YouTube	TBD

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Understanding risks, there's win-win potential across partners

	Carriers/OEMs	Google	Developers
Key Benefits	Brand story in high-interest vertical Offer value for users	Growth/defense of Android & Play brands Adoption of GMS services	Incremental brand marketing Offer value for users
Risks & challenges	Non-brand, attributable metrics likely low	Low ROI outlook for top funnel marketing programs	TAM trade-off for Android only programs
Key OKRs	Brand perception & PI User loyalty Device sales, plan activations	Play: brand affinity & engagement AND: brand metrics, PI & growth GMS: registrations & LTV	Brand awareness & affinity User engagement & revenue

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Google

Reduce words.

But developer+ partnership story first, then follow up with what it results in (and why it's good for) for the user.

Lead with the rationale, then follow with WIP ideas.

Add more examples of types of ideas.

Illustrative gaming bundle with [REDACTED] offers the best of Android 1P & 3P

Top Games Bundle Offer [REDACTED] exclusive program

\$[200] off
Android Premium
Phone or Plan Purchase

And get the following rewards:

YouTube Premium
Free 3 month Trial

Google Play Points
Instant Gold Status

Marketing & Promotion Commitments

Google

- [REDACTED] marketing investment in ATL & BTL
- Play Store featuring of promotion
- Owned marketing & comms
- Funding of all 1P & 3P content
- Funding of sales incentives & price promos

Carriers

- [REDACTED] marketing investment match
- Premium in-store & online retail placements
- Retail training & sales incentives
- Owned marketing & comms

Developers

- In-game promotion
- Owned marketing & comms
- Game IP & content, funded by Google

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Google

Break up by parties (dev, carrier, google), underneath is what they contribute

What they get out of it

Focus Slide 7 on the user centric view

Slide 7 on the developer centric view

Two ideas here -- include a bunch of ideas so we aren't pigeon-holed into the presented ideas if Nick / Sameer doesn't like it.

Set expectations with Nick / Sameer

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Other potential bundles targeting key consumers (all TBD)

\$[200] off
Android Premium
Phone or Plan Purchase



Social gamers

Game or watch content with your friends with new Duo video chat & co-watching features

 **Free Duo with video-chat & YT co-watching integration**

 **YouTube Premium** Free! 3 month Trial

Interactive sharers

Early adopter AAA gamers

Play AAA games on-the-go, download-free with

 **YouTube Premium** Free! 3 month Trial

 **Free! 3P content offers (TBD)**

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Explore the world of [REDACTED] interact with characters in augmented reality and capture your very own scenes to share with friends

GCP Impact Analysis - Summary

	Projected	Actual
	N/A	████████ Incremental ████% (by 2024)
████████ year Spend commits	████	████████
ARR acceleration	████	████
Marquee titles on GCP	XX	████
BC Metrics		
Key Highlights	Key Learnings	
<ul style="list-style-type: none"> ████ developers receiving GCP credits via Hug Hug helped sign deals with █████ of the top █████ developers collectively expected to spend █████ on IT in 2021 Helping devs expand x-platform GCP footprint in Gaming Deals expected to deliver higher longer term upside to Google due to sticky nature of Cloud partnerships 	<ul style="list-style-type: none"> Allowing commits & Hug credits to coexist was crucial to close large deals Need to spend time thinking about nuances of Cloud ecosystem, e.g. resellers, local taxes Highly operational & resource intensive; need to invest in standardizing approvals and operations 	

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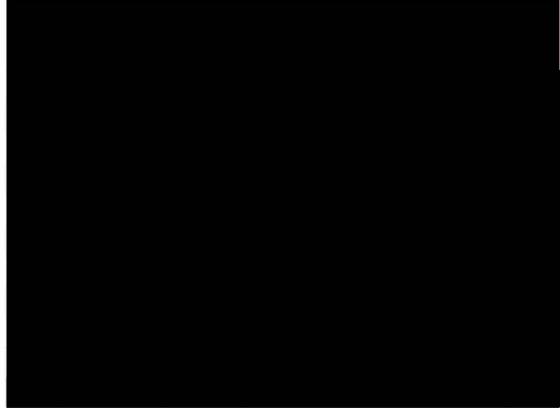
GCP spend commit deals, including incremental attributable to Hug



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The Gaming vertical has significant upside for GCP



Insights

- [REDACTED] developers expected to deliver [REDACTED] in IT spend in 2021. HUG helped GCP negotiate or sign a deal with [REDACTED] developers
- **First-mover advantage** is critical in the gaming, once developer migrates a game or large workload, they are likely to remain entrenched on platform
- Gaming developers have **significant upside**. Usually **under-commit to GCP** (up to [REDACTED] due to:
 - Uncertainty about game launch timelines
 - Existing contracts with AWS and unfamiliarity with GCP
- Offering GCP commits allows **developers to feel more comfortable migrating larger workloads** since incentives greatly exceed other Cloud offers
- A GCP commit offers **guaranteed return on HUG credits and ensures 1 or 2 large workloads will reside on GCP** ([REDACTED] uplift from standard GCP discounts, [REDACTED] uplift from HUG w/o commit)

[Link](#)

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Google Play

YouTube Impact Analysis - Summary

	Projected	Actual
		
Mobile Game Watchtime	10% by 2022	[REDACTED] (incrementality TBD)
Creator / Upload Uplift	XX	[REDACTED]
Sentiment	XX	[REDACTED]
BC Metrics		
Key Highlights	Key Learnings	
<ul style="list-style-type: none"> ● Presence grants enabled positive engagement with developers on content strategy & planning ● Most developers increased their YouTube content uploads / creator engagements / YouTube presence ● Funds being used across a variety of initiatives - live events, creator academies, community days 	<ul style="list-style-type: none"> ● Longer than expected lead times, however useful foundational work and testing done with most devs ● Title popularity impacts effectiveness of funds; Riot and ABK saw decline in content creation / audience due to title popularity / age 	

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Ads Impact Analysis - Summary

	Projected	Actual
UAC YoY Growth	N/A	[REDACTED]
Ads Best Practice Adoption	N/A	[REDACTED]
SOW	N/A	[REDACTED]
BC Metrics		
Key Highlights		Key Learnings & 2021 Solutions
<ul style="list-style-type: none"> [REDACTED] receiving UAC credits as part of Hug with [REDACTED] in credits received Incrementality analysis infers an aggregate revenue uplift of [REDACTED] (which exceeds BC expectation), increase in SoW with an average [REDACTED] across most clients post-Hug UAC credits delivered negative ROI of [REDACTED] though exceeded BC expectations 	<ul style="list-style-type: none"> Developers are increasing SOW & UAC spend, but overall ads ROI negative driven by high payout % → 2021: Adopt AIP credit model design & lower payouts to better tie credit payouts to incr. ad growth Guardrail of 3 qualifying use cases necessitates manual scrutiny and review to determine eligibility for credits → 2021: Simplify qualifying spend & credit release structure Credit deployment relies on a highly manual process (bmod) leading to bad user experience, risk of inaccurate financial reporting and inability to scale in key markets → 2021: Build new payments tool to automate credit distribution via coupons 	

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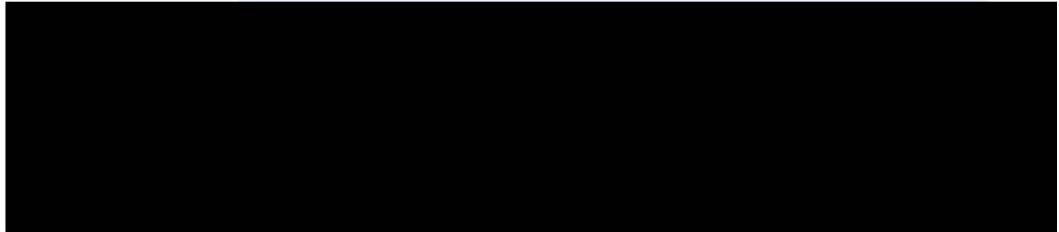
BC assumption of uplift was equivalent to [REDACTED] of released credits [REDACTED]
 - actual uplift range of [REDACTED] based on analysis performed
 Note: Incrementality results obtained via 2 separate goliath analyses, and a CausallImpact analysis

Automate credit distribution via build of new payments tool to shift from manual credit memos to automated coupons

Ads Incrementality Analysis - Summary (Jun-20)

Financial Summary:

- **UAC spend:** Contract to date revenue post-Hug indicates YoY growth of [REDACTED] (mainly [REDACTED])
- **SOW:** We continue to see an increase in SOW of an average [REDACTED] across most clients post-Hug
- **Hug Rev Uplift:** Incrementality Analysis indicates aggregate revenue uplift of [REDACTED] which exceeds BC expectation ¹
- **Ads ROI:** However, we are still [REDACTED] as there isn't sufficient uplift to offset the magnitude of credits. It is worth noting that the Ads ROI has improved since the Mar-20 analysis with 3 additional months of data (see next slide)



Analysis looks at impact to Ads PA only; a WPA analysis could lead to different conclusions

¹ BC assumption of uplift was equivalent to [REDACTED] of released credits

² Calculated using the average cost to serve for [REDACTED] given they are [REDACTED] of the total revenue

Detail on Incrementality methods and assumptions [here](#)

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Google

Note: Based on incrementality study, [REDACTED] is attributable to Hug, with the remaining [REDACTED] due to other factors.

Note: [REDACTED] has been removed from [REDACTED] metrics, as they have had a Hug contract from Jul-19 (new [REDACTED] deal effective Apr-20)

[REDACTED] Hug treatment period is 12 months (Jul-19 to Jun-20), whereas [REDACTED] treatment period is only 3 months (Apr-20 to Jun-20)

Consolidated [REDACTED] accounts for [REDACTED] of credits earned, and [REDACTED] of total uplift net of credits

Ads Incrementality Analysis - Changes from Mar-20

- The total inferred uplift attributable to Hug has increased from [REDACTED] based on the refreshed incrementality models with an additional 3 months of data (all other variable held constant)
- The additional uplift has improved the ROI, however, we are still ROI negative for the standalone Ads P&L



- Overall payout ratios need to be reduced if want Ads to be ROI neutral, or positive under this program
 - For reference, for ads-only AIP deals, the payout range is between [REDACTED] ROI 4-9x)

	Break Even ROI	ROI of 5X
% Payout - Jun-20 (30% avg uplift)	[REDACTED]	[REDACTED]
% Payout - Mar-20 (15% avg uplift)	[REDACTED]	[REDACTED]

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Google

Avg credit earn rate through Jun-20 was [REDACTED] of total UAC spend (Hug was [REDACTED] on QS-only), so we still have a large gap from what we currently hold ads-only programs to

Repository - Confidential

Summary of UAC Revenue & Credits by Developer
8 ad credit deals live; [REDACTED] earned to date [REDACTED]

[REDACTED]

*New [REDACTED] deal went live 4/1/20. All [REDACTED] revenue from [REDACTED] is included in the [REDACTED] line, as they have had a Hug deal for 12 months as of Jun-20.

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Google

Time Period (mo) : Pre Hug = Post Hug: For example, a contract signed in Nov-19 [REDACTED] is active 8 months as of Jun-20. Therefore, pre-hug revenue is Mar-19 to Oct-19 (-8 months) and post-hug revenue is Nov-11 to Jun-20 (+8 months)

Note: [REDACTED] has been removed from all [REDACTED] metrics, as they have had a Hug contract from Jul-19 (new [REDACTED] deal effective Apr-20)

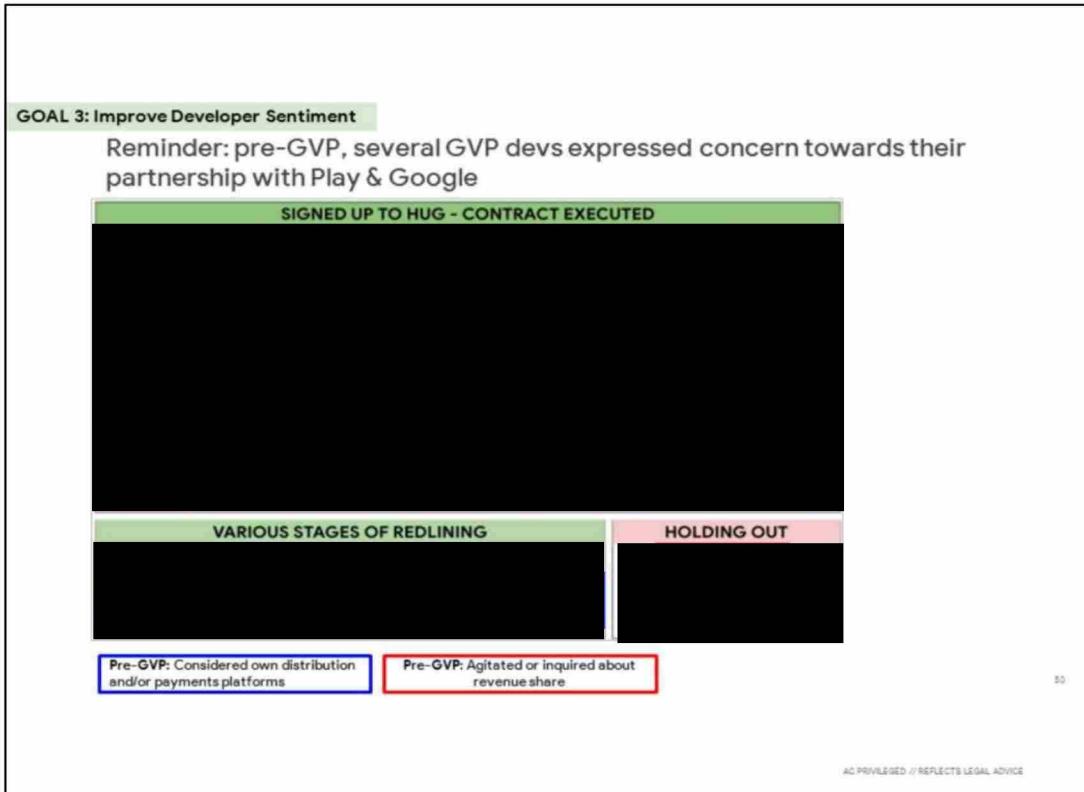
[REDACTED] Hug treatment period is 12 months (Jul-19 to Jun-20), whereas [REDACTED] [REDACTED] treatment period is only 3 months (Apr-20 to Jun-20)

[Refresher] Target Developers: GVP targeted 21 major game developers



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GOAL 3: Improve Developer Sentiment

Post-GVP, conversations shifted from Play's rev share to value creation with Google; developers deepened partnerships with Play

Reduced Commercial Pressure

(Developers no longer vocally agitating, or asking for rev share cuts)

Pre GVP Post GVP



NO new inquiries on revenue share from developers who signed GVP¹

Developers focused their growth efforts on Play

[REDACTED] launched on Play in recognition of the xGoogle value

Other devs (e.g. [REDACTED] who previously agitated on rev-share leaned into Google

Improved Play Partnerships

(Developers partnering deeply with Play on strategic initiatives)

Pre GVP Post GVP



Developers improved Play partnership with increased participation in Play growth consulting, pilots etc

GVP deepened Play relationships with previously cautious developers like [REDACTED]

[REDACTED] partnered on Play's PC gaming strategy

[REDACTED] who has not signed GVP is the only remaining rev share agitator

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Program - results - roi external - roi internal - sentiment tracker

Priorities for 2.0

Key priorities for designing GVP 2.0

Focus on upside & ROI - for Play and rest of Google

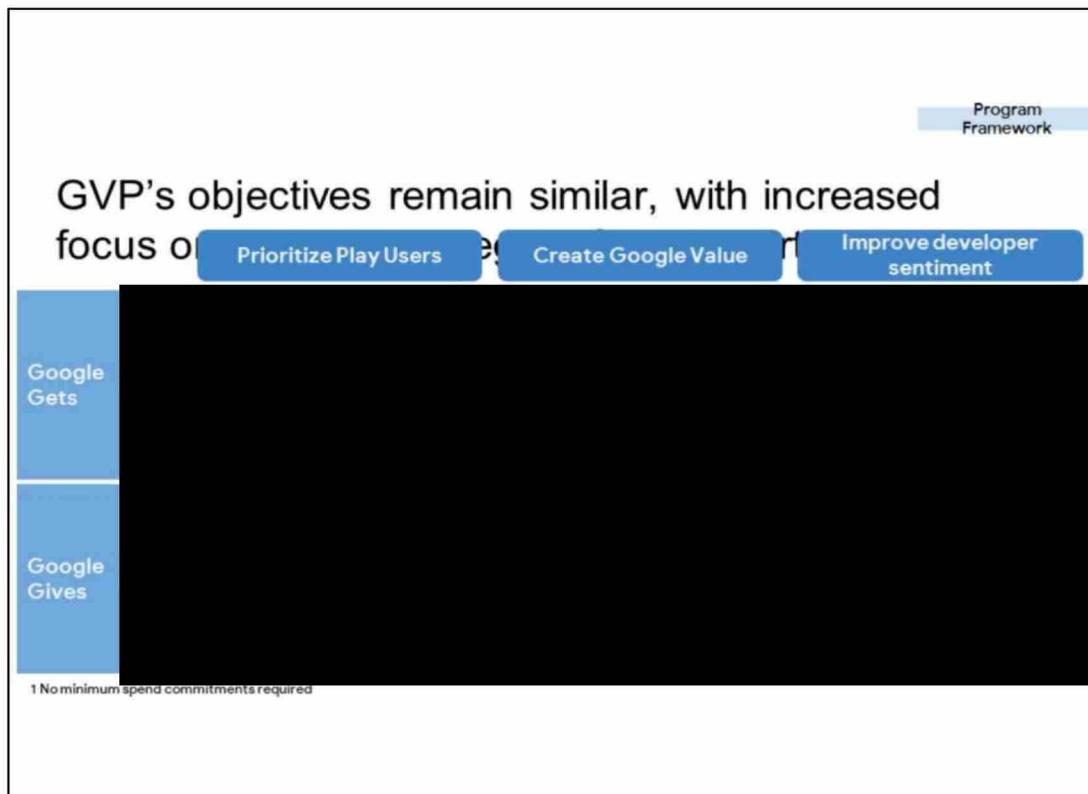
Streamline multi year deals

Simplify xPA operations & budgeting

GVP 2.0 should create long term xGoogle upside with Play's Enterprise developers

Prep for potential public release

DRAFT



				Program Framework
<WIP - Updated service packs creating improved xGoogle value>				
Build & Test	Launch & Grow	User Acquisition	Community Development	
GCP credits GCP consultations DevRel consultations	Store featuring Play Comarketing Play growth consulting YT Influencers	Ad Credits Ad consultations	YT channel growth Esports sponsorships Esports events	
Build & Test	Launch	Acquire & Grow	Community Development	
GCP credits GCP consultations DevRel Consultations	Store featuring Play Comarketing Play Growth Consulting YT Influencers	UAC credits via AIP [REDACTED]	Esports events Esports sponsorships YT channel growth	[REDACTED]

DRAFT

		GVP 1.0	GVP 2.0 (proposed)
Program Setup	Eligibility criteria		
	# of developers	21	11
	% of Play Spend covered	22%	18%
Program Framework	Program Objective	Mitigate Play distribution risk	Incentivize joint growth
	Google Gives		
Program Financials	Google Gets		
	Play % reinvested	[REDACTED]	[REDACTED]

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GVP 1.0 is ROI positive even without [REDACTED] Play risk mitigation; outsized [REDACTED] investments diluted overall returns. 7/18 deals are positive, 3 more likely to be.

Program ROI positive even without [REDACTED] Play risk mitigation

Comarketing investments of [REDACTED] (over 2019-2024) expected to recoupe [REDACTED] of value not reflected in ROI

[REDACTED] expected to sign incremental GCP commits [REDACTED] and turn [REDACTED]

[REDACTED] investment with [REDACTED] adversely impacted [REDACTED] and program ROI

1 Ads has attributed GVP margin upside for the duration of the credits (2020 for most devs, 3 years for [REDACTED] q [REDACTED] of UAC margin uplift in 2019, and [REDACTED] thereafter
2 GCP has attributed GVP margin upside until 2024, due to commits secured via GVP, as well as long term nature of GCP partnerships
3 We are evaluating upside driven by Comarketing; while ROI is not +ve, we have recouped X% of comarketing investments which do not reflect in the chart above

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GVP 2.0 Context & Summary: Build on GVP 1.0 success, address gaps & focus on joint growth

Build on GVP 1.0 success, address gaps	Focus on joint growth, address Play revenue risk	Continue to improve sentiment
<ul style="list-style-type: none"> ● Double down on GCP credits ● Refine Ads credits offer to address ROI gap ● Bolster consults, Play-YT engagement, features ● Leverage investment in Play Points, Promos ● Grossly simplify operations ● Address xPA accounting 	<ul style="list-style-type: none"> ● Shift GVP goalposts from simship to joint growth, as risk shifts from off-Play distribution to payments ● Drive joint business growth by aligning incentives with growth targets ● Support Android/Play platform growth by including product integrations requirements 	<ul style="list-style-type: none"> ● Expand from 1-year to multi-year deals to deepen partnership
<p>Shift focus from risk mitigation to joint growth & ROI, from launch on Play to enterprise deals across Google. Be prepared for public disclosure</p>		

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product commits? Better than expected?

Link to source

BC narrative

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You approved GVP in April 2019; since then we have signed up [REDACTED] target devs; GVP met GVP's its objectives and success metrics

GVP approved in April 2019

GVP met its objectives

GVP exceeded most success metrics

GVP created xGoogle value; developer sentiment improved, leading to better than expected risk mitigation; however, risk goalpost shifting from distribution to payments

Developers improved sentiment & deepened xGoogle relationships	GVP mitigated more than expected risk	Risk definition is now evolving to off Play payments

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Proposal: 1. expand & pivot GVP to an enterprise game-dev program 2. link incentives to Google upside 3. secure SKU and/or Price parity to address Play payments risk

Offer GVP to enterprise game developers

Link incentives to Google upside; fix service packs to anchor on ROI

Address Play payments risk by securing SKU and Price parity

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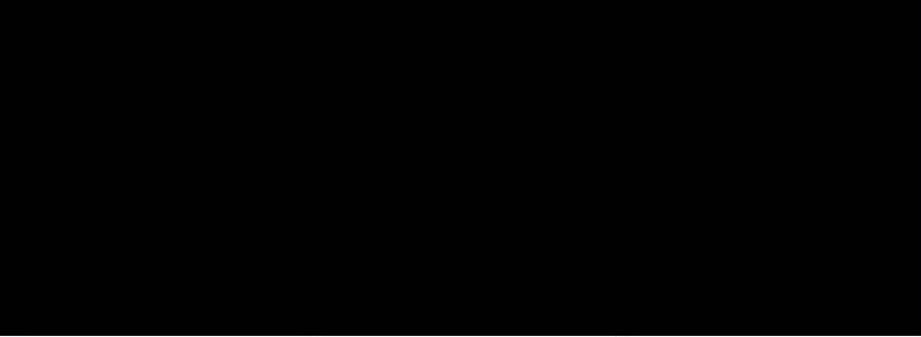
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	Deal structure option 1	Deal structure option 2	Deal structure option 3 (R)
Description			
Pros			
Cons			

Examples

Deal structure option 1 Deal structure option 2 Deal structure option 3 (R)

Description



<p>GVP 2.0: Build on GVP 1.0 success, address gaps & focus on joint growth</p> <table border="1"> <thead> <tr> <th>Build on GVP 1.0 success, address gaps</th><th>Focus on joint growth, address Play revenue risk</th><th>Continue to improve sentiment</th></tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> ● Double down on GCP credits ● Refine Ads credits offer to address ROI gap ● Bolster consults, Play-YT engagement, features ● Leverage investment in Play Points, Promos ● Grossly simplify operations ● Address xPA accounting </td><td> <ul style="list-style-type: none"> ● Evolve GVP goals beyond simship to also focus on joint growth, as risk shifts from off-Play distribution to payments ● Drive joint business growth by aligning incentives with growth targets ● Support Android/Play platform growth by including product integration requirements </td><td> <ul style="list-style-type: none"> ● Expand from 1-year to multi-year deals to deepen partnership </td></tr> <tr> <td colspan="3"> <p>Expand focus from risk mitigation to joint growth & ROI, from launch on Play to enterprise deals across Google. Be prepared for public disclosure</p> </td></tr> </tbody> </table>			Build on GVP 1.0 success, address gaps	Focus on joint growth, address Play revenue risk	Continue to improve sentiment	<ul style="list-style-type: none"> ● Double down on GCP credits ● Refine Ads credits offer to address ROI gap ● Bolster consults, Play-YT engagement, features ● Leverage investment in Play Points, Promos ● Grossly simplify operations ● Address xPA accounting 	<ul style="list-style-type: none"> ● Evolve GVP goals beyond simship to also focus on joint growth, as risk shifts from off-Play distribution to payments ● Drive joint business growth by aligning incentives with growth targets ● Support Android/Play platform growth by including product integration requirements 	<ul style="list-style-type: none"> ● Expand from 1-year to multi-year deals to deepen partnership 	<p>Expand focus from risk mitigation to joint growth & ROI, from launch on Play to enterprise deals across Google. Be prepared for public disclosure</p>		
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product commits? Better than expected?

Link to source

Build on GVP 1.0 success by expanding Developer reach & focusing on joint growth		
Implement Learnings from GVP 1.0	Continue to foster Developer Retention	Double down on Joint Growth areas
<ul style="list-style-type: none"> ● Address ROI gap in Ads offer ● Bolster consults, Play-YT engagement, features ● Simplify operations ● Expand from 1-year to multi-year deals to deepen partnership 	<ul style="list-style-type: none"> ● Keep leveraging GVP to address continuing top developer concerns ● Evolve GVP goals beyond simship to also focus on joint growth, as risk evolves from off-Play distribution to payments 	<ul style="list-style-type: none"> ● Double down on GCP credits ● Drive joint growth by aligning incentives with growth targets ● Support Android/Play platform growth by including product integration requirements ● Leverage investment in Play Points, Promos ● Continue to improve sentiment

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product commits? Better than expected?

Link to source

Id	Date	Text
3	02/04/2021 03:02:55	This is too vague I'm not sure what you're trying to convey... do you mean: Utilize GVP partnership to address continuing top developer concerns
7	02/04/2021 03:04:32	Something like this also leads nicely into the next slide that intros new developers
4	02/04/2021 03:17:42 @████████@google.com	Took a stab at this slide. Reshuffled/reorganized a bit. We can discuss tomorrow.
2	02/04/2021 03:18:50	(just reconciling with the previous success slide that highlights margin improvements for Ads)
5	02/04/2021 03:25:13	I'm being extra careful with wording here (it's risk)
6	02/04/2021 03:25:13	But also Divya's wording is pretty clever. As we want to retain Developers using our services aka billing platform.
1	02/04/2021 17:46:39	How come Ads has great margins but negative ROI
1	02/04/2021 17:46:39	They reevaluated... earlier breakeven was calculated as █████ but has been revised to █████ (breakeven is now defined at █████ in credits). Also, the ROI is based on "incremental" growth minus cost of credits, so while margins overall are great, cost of credits largely balances out incremental growth